

AIR FORCE PRINT NEWS
(AUG. 8, 2003)

FIRST PRODUCTION GLOBAL HAWK ROLLS OUT

Sue Baker

WRIGHT-PATTERSON AIR FORCE BASE, Ohio (AFPN)—The first production RQ-4A Global Hawk unmanned aerial vehicle rolled out in ceremonies held Aug. 1 at prime contractor Northrop Grumman's Antelope Valley Manufacturing Center at Air Force Plant 42 in Palmdale, Calif.

"The fact that we have hardware now rolling out of the factory a little over two years after the start of the formal acquisition program shows that we are realizing the vision of evolutionary acquisition," said Col. Scott Coale, director of the Global Hawk program office at the Aeronautical Systems Center. "It's proof that we are shortening the normal 10- to 15-year acquisition cycle, and fielding this system that much sooner to support warfighter needs."

The Air Force plans to purchase 51 Global Hawks.

Global Hawk is a high-altitude, long-endurance system that provides battlefield commanders near-real-time intelligence, surveillance and reconnaissance information in day or night and all weather conditions. It operates autonomously at altitudes up to 65,000 feet for more than 36 hours. The Global Hawk has a range of 13,500 nautical miles and can image an area the size of Illinois in just 24 hours.

The first production Global Hawk is the eighth air vehicle built. Northrop Grumman produced the first seven under the advanced concept technology demonstration phase of the program.

The new production vehicle will complete a final series of system tests before its first flight later this month. Following a flight test program at Edwards Air Force Base, Calif., it will be delivered to the Air Force's 9th Reconnaissance Wing at Beale AFB, Calif.



The first production RQ-4A Global Hawk unmanned aerial vehicle rolled out in ceremonies held Aug. 1 at prime contractor Northrop Grumman's Antelope Valley Manufacturing Center at Air Force Plant 42 in Palmdale, Calif.

Photo courtesy Aeronautical Systems Center

DEPARTMENT OF DEFENSE NEWS RELEASE
(AUGUST 15, 2003)

DOD RELEASES SELECTED ACQUISITION REPORTS

The Department of Defense has released details on major defense acquisition program cost and schedule changes since the December 2002 reporting period. This information is based on the Selected Acquisition Reports (SARs) submitted to the Congress for the June 30, 2003, reporting period.

SARs summarize the latest estimates of cost, schedule, and technical status. These reports are prepared annually in conjunction with the president's budget. Subsequent quarterly exception reports are required only for those programs experiencing unit cost increases of at least 15 percent or schedule delays of at least six months. Quarterly SARs are also submitted for initial reports, final reports, and for programs that are rebaselined at major milestone decisions.

The total program cost estimates provided in the SARs include research and development, procurement, military construction, and acquisition-related operation and maintenance (except for pre-Milestone B programs, which are limited to development costs pursuant to 10 USC §2432). Total program costs reflect actual costs to date as well as future anticipated costs. All estimates include anticipated inflation allowances.

The current estimate of program acquisition costs for programs covered by SARs for the prior reporting period (December 2002) was \$1,129,668.4 million. After adding the costs for new programs that were reported in the December 2002 reporting period and subtracting the costs for final reports that were reported in the December 2002 reporting period, the adjusted current estimate of program acquisition costs was \$1,135,595.0 million. There was a net cost increase of \$111.5 million (+0.01 percent) during the current reporting period (June 2003). This increase was due primarily to the addition of a unitary variant for Guided Multiple Launch Rocket System (GMLRS) and increased weapon support costs for the High Mobility Artillery Rocket System (HIMARS) conversion from organic to life cycle contractor support. Details of the changes for all 10 programs are shown at the top of the opposite column.

For the June 2003 reporting period, there were 10 quarterly exception SARs submitted. The reports for Land Warrior, CVN 21, and Wideband Gapfiller Satellites reported schedule delays of six months or more. Initial reports were submitted for Future Combat Systems (FCS), AGM-88E Advanced Anti-Radiation Guided Missile, Advanced SEAL Delivery System (ASDS), and E-2 Advanced Hawkeye. Also,

**Current Estimate
(\$ in Millions)**

December 2002 (72 programs)	\$1,129,668.4
Plus five new programs (Excalibur, GCSS Army, HIMARS, Land Warrior, and SSGN)	+17,543.9
Less final reports (ATACMS-BAT, AV-8B Remanufacture, JSIMS, SMART-T, the CVN-76 portion of the CVN68 program, and the DSUP portion of the B-1B CMUP program)	-11,617.3
December 2002 Adjusted (73 programs)	\$1,135,595.0
Changes Since Last Report:	
Economic	\$ 0.0
Quantity	0.0
Schedule	+0.0
Engineering	+315.9
Estimating	-276.9
Other	0.0
Support	+72.5
Net Cost Change	+\$111.5
June 2003 (73 programs)	\$1,135,706.5

GMLRS, HIMARS, and B-1B Conventional Mission Upgrade Program (CMUP) rebaselined their SAR from a development estimate to a production estimate to reflect approval of recent production decisions.

Army

Future Combat Systems (FCS)—An initial SAR was submitted for FCS following approval of System Development and Demonstration (Milestone B) in May 2003.

Guided Multiple Launch Rocket System (GMLRS)—The SAR was submitted to rebaseline the program from a development estimate to a production estimate following approval of Low Rate Initial Production (Milestone C) in March 2003. Program costs increased \$21.2 million (+0.2 percent) from \$11,831.9 million to \$11,853.1 million, due primarily to the addition of a Unitary variant (+\$315.9 million). This increase was partially offset by a reduced estimate based on a revised Army Cost Position (-\$280.8 million).

High Mobility Artillery Rocket System (HIMARS)—The SAR was submitted to rebaseline the program from a development estimate to a production estimate following approval of Low Rate Initial Production (Milestone C) in March 2003. Program costs increased \$78.5 million (+1.8 percent) from \$4,312.9 million to \$4,391.4 million, due primarily to increased weapon support costs for the conversion from organic to life cycle contractor support.

Land Warrior—The SAR was submitted to report a schedule slip of 24 months (from December 2003 to December 2005) in Low Rate Initial Production (Milestone C). This delay was due to a program restructure that allows additional time for development, integration, and testing for the Land Warrior-Stryker Interoperable system. There were no cost changes reported.

Navy

AGM-88E Advanced Anti-Radiation Guided Missile—An initial SAR was submitted for AGM-88E following approval of System Development and Demonstration (Milestone B) in June 2003.

Advanced SEAL Delivery System (ASDS)—An initial SAR was submitted for ASDS following designation as a Major Defense Acquisition Program (MDAP) in April 2003.

CVN 21—The SAR was submitted to report schedule slips of more than six months to the Early Operational Assessment (EOA) (from June 2003 to March 2004) and to Milestone II (from June 2003 to April 2004). These delays resulted from the restructure of the CVN 21 program (previously CVNX) that pulled forward technologies originally planned for CVNX 2. EOA and Milestone II were delayed to allow adequate time to update the Operational Requirements Document (ORD) and the Independent Cost Estimate (ICE). Other program milestones such as construction contract award in FY 2007 and ship delivery in FY 2014 remain unchanged.

E-2 Advanced Hawkeye—An initial SAR was submitted for E-2 Advanced Hawkeye following approval of System Development and Demonstration (Milestone B) in June 2003.

Air Force

B-1B Conventional Mission Upgrade Program (CMUP)—The SAR was submitted to rebaseline the program from a development estimate to a production estimate following approval of Full Rate Production for the Computer Upgrade in April 2003. Program costs increased \$11.8 million (+1.8 percent) from \$663.6 million to \$675.4 million, due primarily to a revision in the Program Office estimate.

Wideband Gapfiller Satellites—The SAR was submitted to report schedule slips to the Initial Operational Capability, from June 2005 to April 2006, and to Full Operational Capability, from June 2006 to February 2007, due primarily to manufacturing difficulties by the contractor. There were no cost changes reported.

New SARs

(As of June 30, 2003)

The Department of Defense has submitted initial SARs for Future Combat Systems (FCS), AGM-88E Advanced Anti-Radiation Guided Missile, Advanced SEAL Delivery System (ASDS), and E-2 Advanced Hawkeye. These reports do not represent cost growth. Baselines established on these programs will be the point from which future changes will be measured. The current cost estimates are provided below:

Program	Current Estimate (\$ in Millions)
Future Combat Systems (FCS)	\$92,200.0
AGM-88E Advanced Anti-Radiation Guided Missile	1,510.9
Advanced SEAL Delivery System (ASDS)	1,969.3
E-2 Advanced Hawkeye	14,979.6
Total	\$ 110,659.8

DEPARTMENT OF DEFENSE NEWS RELEASE (AUG. 14, 2003)

NAVY ANNOUNCES VIRGINIA CLASS SUBMARINE CONTRACT AWARD

General Dynamics Electric Boat Corp., in partnership with Northrop Grumman's Newport News Shipbuilding, is being awarded a block-buy contract worth up to \$8.7 billion for construction of six Virginia Class submarines. Upon congressional authorization and appropriation, the contract will award one submarine per year from 2003 through 2006 and two submarines in 2007.

Speaking about the agreement, Assistant Secretary of the Navy for Research, Development and Acquisition John J. Young, Jr., said, "The Navy and industry negotiating teams have done an exceptional job." They have produced an affordable agreement that sets a realistic, achievable target price and provides fair profits for our industry.

"The contract represents a step forward for shipbuilding contracts because it provides positive incentives to underrun the target price, ties a portion of the fees to specific performance objectives, and reduces the profitability if the target is exceeded.

"The agreement also allows us to transition to a multi-year contract, should Congress approve that authority. The multi-year agreement is truly unique in providing the flexibility to

adjust the quantity, but allowing that decision to be held until January of 2006, when the outyear budget picture is clear. Multi-year will reduce the overall cost of each submarine compared to annual or block buys. Conversion of this contract to a multi-year is critical to the taxpayer because it will reduce the overall cost of each submarine compared to annual or block buys. Executing the full multi-year can provide savings of up to \$1 billion," added Young.

The terms of the contract allow for the transition to multi-year procurement beginning in 2004. The multi-year would apply to as many as seven submarines to be authorized from 2004 through 2008. Should Congress approve a multi-year procurement strategy, the Navy can unilaterally execute that contract option.

The major difference between the block-buy and the multi-year is that the multi-year includes funding for economic order quantity purchases that would allow the Navy to realize savings by buying submarine components in bulk.

Both the block-buy and multi-year contract conditions provide significant incentives for the contractor to deliver the submarines for less than the target price. Both also include a first-of-its-kind incentive targeted at expanding the submarine industrial base by encouraging the participation of small businesses.

U.S. ARMY NEWS RELEASE
(AUG. 28, 2003)

ARMY LSI TEAM COMPLETES IMPORTANT MILESTONE IN ARMY TRANSFORMATION

Today, the Army's Future Combat System (FCS) Lead Systems Integrator (LSI) team of Boeing and Science Applications International Corporation (SAIC) announced the third and final round of subcontractor selections designed to bring the "best of industry" into the System Development and Demonstration (SDD) phase of the Future Combat System (FCS) program.

"The LSI process is an excellent example of how the Army is transforming itself to meet the security challenges of the 21st century," said Claude M. Bolton Jr., Assistant Secretary of the Army for Acquisition, Logistics, and Technology.

"By use of the LSI concept, the Army is able to harness the tremendous energy and capabilities of American industry from the very beginning of the acquisition process. The source selection was designed to be open, fair, and transparent for all competitors. The Army congratulates the LSI on their progress in making FCS a reality. We look forward to our continued partnership with the LSI as we transform our Army," Bolton said.

The selection of the SDD subcontractors represents yet another step forward in realizing the Army Vision of a transformed Army that is more responsive, deployable, survivable, agile, versatile, lethal, and sustainable. This will allow the Army to see first, understand first, act first, and finish decisively.

The FCS is a key part of that transformation, a transformation that is fully nested within DoD efforts. It is a "system of systems" of 18 manned and unmanned ground vehicles and unmanned air vehicles plus the integrated network, plus the most important element—the soldier—that is currently being developed as the follow-on to our current heavy armored and mechanized forces.

For more information please contact Maj. Gary Tallman at 703-697-4314 or gary.tallman@hqda.army.mil.

DEPARTMENT OF DEFENSE NEWS RELEASE
(SEPT. 4, 2003)

DOD SELECTS HISPANIC SERVING INSTITUTIONS FOR GRANTS

The Department of Defense announced today plans to award instrumentation and research grants totaling \$4.67 million to 17 Hispanic Serving Institutions (HSIs). These grants will be made under the fiscal 2003 DoD Historically Black Colleges and Universities and Minority Institutions Infrastructure Support Program. The grants will enhance programs and capabilities at these HSIs in scientific disciplines critical to national security and the DoD.

This announcement is the result of merit competition for infrastructure support funding conducted for the Office of Defense Research and Engineering by the Army Research Office. The fiscal 2003 HSIs program solicitation received 23 proposals in response to a broad agency announcement issued in March 2003. The Army Research Office plans to award 17 equipment grants ranging from \$108,000 to \$400,000 and will have a 12-month performance period.

Awards will be made only after written agreements are reached between the Department and the institutions.

The list of recipients is available on the Web at <http://www.defenselink.mil/news/Sep2003/d20030904hsi.pdf>.

DEPARTMENT OF DEFENSE NEWS RELEASE
(SEPT. 5, 2003)

GENERAL OFFICER ASSIGNMENTS

Army Chief of Staff Gen. Peter J. Schoomaker announced today the following general officer assignments:

Army Brig. Gen. Jeffrey A. Sorenson, program executive officer, Tactical Missiles, Redstone Arsenal, Ala., to deputy for systems management and horizontal technology integration, Office of the Assistant Secretary of the Army (Acquisition, Logistics and Technology), Washington, D.C., with a report date to be determined.

Army Brig. Gen. (promotable) Samuel M. Cannon, assistant deputy for systems management and horizontal technology integration, Office of the Assistant Secretary of the Army (Acquisition, Logistics and Technology), Washington, D.C., to program executive officer, Tactical Missiles, Redstone Arsenal, Ala., with a report date to be determined.

DEPARTMENT OF DEFENSE NEWS RELEASE (SEPT. 23, 2003)

GENERAL OFFICER ASSIGNMENT

Secretary of Defense Donald H. Rumsfeld announced today that the president has nominated Army Maj. Gen. Joseph L. Yakovac Jr., for appointment to the rank of lieutenant general and assignment as military deputy/director, Army Acquisition Corps, Office of the Assistant Secretary of the Army (Acquisition, Logistics and Technology), Washington, D.C. Yakovac is currently serving as the program executive officer, Ground Combat Systems, with duty in Washington, D.C.

DEPARTMENT OF DEFENSE NEWS RELEASE (SEPT. 25, 2003)

GENERAL OFFICER ASSIGNMENT

Army Chief of Staff Gen. Peter J. Schoomaker announced today the assignment of the following general officer: Army Brig. Gen. Roger A. Nadeau, program executive officer, Combat Support/Combat Service Support, Warren, Mich., to program executive officer, Ground Combat Systems, Washington, D.C., with a report date to be determined.

DEPARTMENT OF DEFENSE NEWS RELEASE (SEPT. 25, 2003)

U.S. TRANSPORTATION COMMAND APPOINTED AS DEFENSE DISTRIBUTION PROCESS OWNER

The Department of Defense announced today the appointment of the Commander, U.S. Transportation Command, as the Distribution Process Owner. In this capacity, U.S. TransCom is tasked with developing efficient and effective distribution solutions to enhance strategic support to worldwide customers.

With this appointment, the DoD will now have one entity to revolutionize this system, working with the services and combatant commanders in synchronizing the distribution of personnel and equipment from factory to foxhole. Des-

ignating a U.S. TransCom process owner to lead strategic distribution is another step in transformation and will ensure the best support for our combatant commanders and troops.

The consolidation of authority under one process owner is aimed at realizing logistics efficiencies:

- Eliminate existing seams between current distribution processes and standardize the policies, vision, and performance goals in DoD's supply chain.
- Drive interoperable information technology solutions and enhance total asset visibility to distribution customers.
- Institutionalize sustainment planning into our contingency processes.
- Streamline distribution accountability under a single combatant commander (provide one single accountable person for the combatant commander to contact for distribution needs).

The Distribution Process Owner will work with the services and combatant commanders, using the best transformational concepts and ideas available, and subsequently drive revolutionary changes.

For more information, contact Navy Capt. Stephen Honda, U.S. TransCom Public Affairs, at (618) 229-4828.

PROGRAM EXECUTIVE OFFICER, ENTERPRISE INFORMATION SYSTEMS (PEO EIS) NEWS RELEASE (OCT. 1, 2003)

KEVIN CARROLL WELCOMES NEW PEO EIS SYSTEMS

FORT BELVOIR, Va.—Program Executive Office, Enterprise Information Systems (PEO EIS) acquires new responsibilities on Oct. 1, 2003. PEO EIS will assume responsibility for four new systems and projects. "We're pleased to have these new systems and programs in PEO EIS. With them, we'll continue to provide vital IT support for the warfighter," said Program Executive Officer Kevin Carroll.

The four new projects and systems are the Standard Procurement System (SPS), Reserve Component Automation System (RCAS), Distributive Training Technology Project (DTTP), and Force Management System (FMS).

PEO EIS provides business information systems and IT support to the U.S. Army. The four new systems will help support the PEO EIS mission to provide network-centric knowledge-based business and combat service support systems and technology solutions to assure the Army victory through information dominance. For more information about PEO EIS, please contact Kelly Tapp at (703) 806-3705.

AGILE ACQUISITION—AIR FORCE ACQUISITION NEWSLETTER (SEPT/OCT 2003)

SECRETARY OF AIR FORCE & CHIEF OF STAFF ANNOUNCE PEO RESTRUCTURING

WASHINGTON—Air Force officials have announced a major reorganization of the Air Force's acquisition management structure. With an eye toward streamlined decision making, improved speed and credibility, and increased accountability, Air Force Secretary Dr. James Roche and Chief of Staff Gen. John Jumper approved the reorganization of the service's aircraft, weapons and command, control and combat support acquisition programs.

As part of the reorganization the service will:

- Move Program Executive Offices closer to the programs they oversee by dual-hatting the Air Force's three product center commanders as Program Executive Officers. The primary responsibility of the center commanders will be program execution.
- Gather all but two of the Air Force's aircraft programs under a single PEO. Continue to have a separate PEO for the Joint Strike Fighter and create a PEO for the F/A-22 Raptor.
- Bring all non-space Air Force acquisition programs under the new, streamlined PEO structure and eliminate the position of Designated Acquisition Commander at the product and logistics centers.
- Assign a general officer or civilian member of the Senior Executive Service to be the deputy for acquisition execution for each of the three PEOs who also will be serving as product center commanders. A separate flag officer or SES deputy for support will manage the day-to-day operations of the center.

The plan approved by Roche and Jumper maintains the PEO office for the Joint Strike Fighter and the PEO for Services in Washington, along with the new PEO for F/A-22. The PEO for Aircraft (combining the current PEO for Fighter and Bomber Programs and the PEO for Airlift and Trainers) will be the Commander, Aeronautical Systems Center, Wright Patterson Air Force Base, Ohio.

The PEO for Command, Control and Combat Support (C2&CS) will be the Commander, Electronic Systems Center, Hanscom Air Force Base, Mass. The PEO for Weapons will be the Commander, Air Armament Center, Eglin Air Force Base, Fla.

"This realignment clarifies PEO and product center commander responsibilities, removes inherent organizational conflicts, and builds off of Air Force Materiel Command's evolving acquisition enterprise concept fostering greater interaction between programs," the secretary and chief of staff said in their memorandum announcing the changes.

Under the realignment, Dr. Marvin Sambur, Assistant Secretary of the Air Force for Acquisition, remains the Service Acquisition Executive for all non-space programs. PEOs continue to report to him. In their role as center commanders the three product center commanders will continue to report to Gen. Martin, Commander of Air Force Materiel Command. Under Secretary of the Air Force Peter B. Teets has the responsibility for the acquisition of space programs.

When the new organization is fully implemented, AFMC's Air Logistics Center commanders will no longer be Designated Acquisition Commanders. The ALC commanders will remain highly engaged in the acquisition process because of the important maintenance and supply planning needed for support of new systems. The ALCs will remain key players in sustainment planning as new systems are developed and acquired and will retain their traditional and central roles in the sustainment, maintenance, overhaul, and repair of our fielded weapons systems as well as management of the Air Force purchasing and supply chain.

"Our acquisition system—fueled by our great acquisition professionals—has produced the best weapon systems in the world," Sambur said, pointing to successes in the Balkans, Afghanistan, and Iraq. "But, the processes we use to acquire these systems can and must be improved to reduce cycle times and to increase the credibility of our cost, schedule, and performance promises. I'm convinced this new alignment will help us get where we need to go."

Lyles echoed Sambur's sentiments. "It has been more than a decade since the current structure was put in place, and while it's served us well, it simply is not agile enough to meet today's rapidly changing and unpredictable threats," Lyles said. "This new structure will allow us to deliver capabilities more quickly and to look across our acquisition enterprise to ensure that we are making the best use of our resources."

The new structure is expected to be in place in approximately two months. The development of an implementation plan is under way. It will identify any required movement of PEO staff to the product centers and other logistical and organizational issues.